

Message Text

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ORIGIN ARA-10

INFO OCT-01 SS-14 ISO-00 INR-05 INRE-00 SSO-00 NSCE-00
CIAE-00 DHA-02 TRSE-00 OMB-01 EB-04 L-01 IGA-01
SP-02 PM-03 DODE-00 NSAE-00 IO-06 /050 R

DRAFTED BY ARA/CEN:WMATTHEWS
APPROVED BY ARA:SSHELTON
ARA/RPP:SQUIGG (DRAFT)

-----061589 012205Z /72

O 012126Z NOV 77 ZFF4
FM SECSTATE WASHDC
TO AMEMBASSY SAN SALVADOR NIACT IMMEDIATE

C O N F I D E N T I A L STATE 261201

LIMDIS

E.O. 11652: GDS

TAGS: PINT, BEXP, ES

SUBJECT: IDB EXECUTIVE DIRECTOR'S PROPOSAL TO TIE SAN
LORENZO HYDROELECTRIC PROJECT TO NON-PURCHASE OF PLANES.

1. AS YOU KNOW, NATIONAL ADVISORY COUNCIL AND INTER-AGENCY
COMMITTEE ON HUMAN RIGHTS AND FOREIGN ASSISTANCE HAVE
APPROVED FAVORABLE U.S. VOTE ON SAN LORENZO PROJECT. LOAN
NOW SCHEDULED FOR VOTE BY EXECUTIVE DIRECTORS NOVEMBER 2.
HOWEVER, RALPH DUNGAN, U.S. EXECUTIVE DIRECTOR, CONCERNED
OVER REPORT HE HAS SEEN THAT FUNDS ALLOCATED IN NEW SALVA-
DORAN BUDGET FOR PURCHASE OF 18 ADVANCED FIGHTER PLANES.
DUNGAN IS CONCERNED THAT THIS PROPOSED PURCHASE, IF IM-
PLEMENTED, WILL USE FUNDS WHICH WOULD PRESUMABLY OTHERWISE
BE USED FOR DEVELOPMENT PURPOSES.

2. DUNGAN WOULD LIKE TO MAKE OUR FAVORABLE VOTE ON THE SAN
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LORENZO LOAN CONTINGENT ON A SALVADORAN GUARANTEE NOT TO
PURCHASE THESE MILITARY PLANES. HE WOULD LIKE TO FACTOR
IN SIMILAR CONDITIONS ON APPROVAL OF IDB LOANS FOR OTHER
LATIN AMERICAN COUNTRIES. HE THEREFORE FAVORS DELAYING
VOTE ON LOAN AT LEAST ONE MORE WEEK WHILE THIS MATTER
EXPLORED WITH GOES.

3. ARA POSITION IS THAT ALL RELEVANT USG AGENCIES HAVE CONSIDERED AND APPROVED THIS LOAN AND THAT US EXECUTIVE DIRECTOR SHOULD NOW IMPLEMENT THAT APPROVAL WITH A FAVORABLE VOTE WITHOUT FURTHER DELAY. ARA BELIEVES THAT FURTHER DELAY MAY DESTABILIZE ROMERO REGIME WHICH IS COUNTING ON APPROVAL NOW AS CONCRETE INDICATION ROMERO'S POLITICALLY RISKY POLICY OF OPPOSING STRONG MILITARY AND OLIGARCHY PRESSURES TO SUBSTANTIALLY IGNORE HUMAN RIGHTS CONSIDERATIONS IN COMBATTING TERRORISM PAYS OFF. WE CONCLUDE FROM NUMEROUS REPORTS FROM SEVERAL AGENCIES THAT ROMERO HAS RECENTLY MADE ALL THE RIGHT MOVES FROM HUMAN RIGHTS STANDPOINT, BADLY NEEDS SIGN OF SUPPORT FROM U.S. THAT THESE ARE PAYING OFF IN CONCRETE TERMS, AND IN ABSENCE SUCH SIGN IS IN DANGER OF OVERTHROW BY MORE HARD-LINE GROUP OR BEING FORCED TO TAKE HARD-LINE HIMSELF AS CONDITION FOR SURVIVAL.

4. WE WOULD APPRECIATE NIACT IMMEDIATE EMBASSY REACTION OF WHETHER WE COULD OR SHOULD MAKE SALVADORAN COMMITMENT NOT TO PURCHASE FIGHTER AIRCRAFT AS NEW CONDITION FOR APPROVAL IDB SAN LORENZO LOAN WITH OR WITHOUT HONDURAN COMMITMENT NOT TO PURCHASE ADDITIONAL FIGHTERS OVER AND ABOVE THE 10 SUPER MYSTERES TO WHICH WE UNDERSTAND THEY ALREADY COMMITTED. WE WOULD ALSO APPRECIATE EMBASSY'S EVALUATION OF EFFECT SUCH A NEW CONDITION ON THE SAN LORENZO LOAN LIKELY TO HAVE ON SALVADORAN POLITICAL AND HUMAN RIGHTS SITUATION. ALSO WHAT EFFECT, IF ANY, DELAY
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BY U.S. EXECUTIVE DIRECTOR THIS WEEK LIKELY TO HAVE ON INTERNAL POLITICAL SOLUTION. VANCE

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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
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Concepts: MILITARY PROCUREMENT, MILITARY AIRCRAFT, DEVELOPMENT LOANS
Control Number: n/a
Copy: SINGLE
Sent Date: 01-Nov-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
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Drafter: WMATTHEWS
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770402-0290
Format: TEL
From: STATE
Handling Restrictions:
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ISecure: 1
Legacy Key: link1977/newtext/t197711108/aaaadowa.tel
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Locator: TEXT ON-LINE, ON MICROFILM
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Review Release Date: n/a
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